

JUN 11 2007

NEBRASKA DEPARTMENT
OF INSURANCE

CAUSE NO. C-1637

JURISDICTION

- ### STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Trustmark Life Insurance Company, Cause Number C-1637 on May 9, 2007. A copy of the petition was served upon the Respondent, at the Respondent's address registered with the Department by certified mail, return receipt requested.

2. The petition alleges that Respondent violated Neb. Rev. Stat. §§44-1524, 44-1525(11), 44-7308(3)(a) and Title 210 NAC Ch. 61, §006.02 as a result of the following conduct:

a. On March 6, 2007, the Nebraska Department of Insurance received a complaint regarding the refusal of a claim due to chiropractic services. Pursuant to that complaint, Barbara Ems (Ems), an insurance investigator with the Department of Insurance, initiated an investigation by sending a letter dated March 7, 2007 to Respondent.

b. On March 22, 2007, Respondent sent a letter back to Ems. The letter, while timely, did not contain the information requested by the March 6, 2007 letter in violation of §§44-1524, 44-1525(11) and Title 210 NAC Ch. 61, §006.02.

c. On March 27, 2007, Ems sent a letter to Respondent requesting the information that was previously excluded by Respondent. On April 12, 2007, Respondent provided said information.

d. The information revealed that Respondent was in violation of Neb. Rev. Stat. §44-7308(3)(a). Respondent's internal documentation denoted that a written response to the insured must include the names, titles, and qualifying credentials of the person(s) acting as the reviewer(s) participating in the first-level grievance review process. Pursuant to an appeal of the denial of the claims, which are the subject-matter of the complaint, a February 5, 2007 letter was sent via Respondent's Third-Party Administrator, Starmark, to complainant which did not include that relevant and statutorily necessary information. Further documentation revealed that the policy of Respondent was to "keep the names of its reviewing physicians confidential." However, "...the identity of the reviewing physician will only be released as required by state or federal regulations."

3. Respondent was informed of the right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving its right to a public hearing, Respondent also waives its right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondent denies that it violated the above-referenced statutes, but is willing to agree to the imposition of an Order of the Director of Insurance imposing an administrative fine in the amount of \$5,000 and agrees to change its grievance procedure to adhere to Nebraska law and

present said changes to the Nebraska Department of Insurance within thirty days or face a sanction of \$100,000 in order to settle this matter.

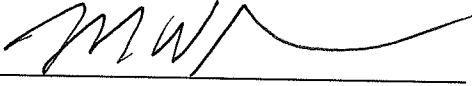
CONCLUSIONS OF LAW

The conduct of Respondent, as alleged above, constitutes violations of Neb. Rev. Stat. §§44-1524, 44-1525(11), 44-7308(3)(a) and Title 210 NAC Ch. 61, §006.02.

CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed to by Respondent, that Respondent shall pay an administrative fine in the amount of five thousand dollars (\$5,000). The Respondent has thirty days from the date of approval of this consent order by the Nebraska Director of Insurance to pay the five thousand dollar fine. Respondent also agrees to change its grievance procedure to adhere to Nebraska law and present said changes to the Nebraska Department of Insurance within thirty days or face a sanction of \$100,000. The Nebraska Department of Insurance shall retain jurisdiction of this matter for the purpose of enabling the Department to make application for such further orders as may be necessary.

In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing their signatures below.


Martin W. Swanson, #20795
Department of Insurance
941 "O" Street, Suite 400
Lincoln, Nebraska 68508
(402) 471-2201

6/11/07
Date


Trustmark Life Insurance Company

6/7/07
Date


State of ILLINOIS)
County of Lake) ss.

On this 7th day of June, 2007, Trustmark Life Insurance Company personally appeared before me and read this Consent Order, executed the same and acknowledged the same to be his voluntary act and deed.




Notary Public

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Trustmark Life Insurance Company, Cause No. C-1637.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

L. TIM WAGNER
Director of Insurance

6/11/07
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was sent to the Respondent at
400 Field Drive, Lake Forrest, IL 60045-2581, by certified mail, return receipt requested on this
11th day of ~~May~~ ^{June}, 2007.

Tracy A. Lunn